

Fiscal Year 2007 Accomplishments

The National Drug Intelligence Center's mission is to support national policymakers and law enforcement decisionmakers with strategic domestic drug intelligence; to facilitate information sharing and liaison between intelligence and law enforcement agencies; to provide timely support to law enforcement authorities by conducting document and computer exploitation of materials collected in connection with federal, state, and local law enforcement activity; and, finally, to provide training in support of the above efforts. All of these functions support our nation's counternarcotics program and support the U.S. Department of Justice (DOJ) Strategic Plan. The following report is a summary of NDIC mission accomplishments during fiscal year (FY) 2007.

In FY2007, the intelligence analysis staff of the NDIC produced 37 major recurring assessments and 3 major topical drug assessments. Earlier this year, NDIC published and disseminated the *2007 National Drug Threat Assessment*, our signature product that presents a comprehensive account of the threat to the United States posed by the trafficking and abuse of illicit and pharmaceutical drugs. Since then, we completed 27 planned drug market analyses for the High Intensity Drug Trafficking Area (HIDTA) program and 9 regional drug threat assessments for the Organized Crime and Drug Enforcement Task Force (OCDETF) program of the DOJ. These reports provide a strategic overview of the illicit drug situation in each respective market or region by highlighting significant trends and law enforcement concerns and are frequently used by the requestors when developing their annual strategies or allocating assets and resources. In addition to the recurring assessments, NDIC produced three major assessments on particular drug threats: the *National Methamphetamine Threat Assessment 2007*, the *Domestic Cannabis Cultivation Assessment 2007*, and the *Southwest Asian Heroin Assessment*. These strategic reports assist national-level decisionmakers by offering analysis on the current status and future outlook of these complex drug threats.

In FY2007, NDIC continued to produce intelligence products for and provide analytical support to other federal agencies and significant nonfederal entities enjoined in the fight against drug trafficking and related criminal activities. For the Anti-Drug Intelligence Community Team (ADICT), NDIC prepared the domestic portion of the *Mexican Methamphetamine Assessment*, an analysis of methamphetamine production by Mexican criminal organizations and the subsequent distribution of the drug in the United States. For the Federal Bureau of Investigation (FBI)-led National Gang Intelligence Center (NGIC), we produced a report entitled *Gangs: Toward a 2007 National Threat Assessment*, which will serve as the foundation for NGIC's 2007 National Gang Threat Assessment.

Additional collaborative efforts include publication of a report on the Black Market Peso Exchange in coordination with the Department of Defense (DoD), which was disseminated to all DEA domestic field offices and three international field offices. For DoD's Counter Narcotics Analysis Cell, NDIC participated on a project regarding Lebanese drug traffickers and authored a portion of the published classified

report. Further, NDIC contributed information towards development of the National Security Council's *National Southwest Border Counternarcotics Strategy* and associated *Implementation Plan*. In collaboration with interagency working group partners, NDIC made significant contributions to the development of the *2007 National Money Laundering Strategy*. Additionally, in close collaboration with the Office of the Director of National Intelligence, DoD, Department of Homeland Security (DHS), FBI, and others, NDIC is serving a key role in the launching of Intellipedia, a web-based system designed to enhance the collection and sharing of information among counterdrug and other intelligence agencies. Finally, NDIC once again chaired discussion groups at the 2007 Major City Drug Commanders Conference and prepared an annual report summarizing the drug information gleaned from these forums for the Major City Chiefs Association.

Among our partner agencies, the Office of National Drug Control Policy (ONDCP) continues to be a frequent and highly-valued customer. At the request of ONDCP, NDIC prepared the *U.S.-Canada Drug Threat Assessment 2007*. This assessment provides analysis regarding the drug threat posed to the United States from Canada and covers trafficking, money laundering, and drug policy issues. Earlier this year, we also produced two situation reports for ONDCP that examined recent cocaine and methamphetamine shortages reported in several U.S. markets and identified the possible causes. These reports demonstrated our ability to collect the most current drug information through our Field Program Specialists (FPSs) and quickly produce intelligence products to meet our customers' needs. The FPSs were also instrumental in collecting information that enabled NDIC to support ONDCP's Drug Market Model Initiative by reporting on drug market fluctuations, criminal activities of addicts, and the operations of retail-level drug organizations. Finally, NDIC has partnered with ONDCP's Office of State and Local Affairs to coordinate the testing and application of a data analysis tool developed by Carnegie Mellon University that may prove adept at performing network analysis of drug trafficking organizations.

Throughout FY2007, NDIC's Document Exploitation (Doc Ex) and Computer Exploitation (Comp Ex) programs made significant contributions to ongoing high-level investigations targeting drug trafficking, money laundering, terrorism, and other criminal activities that impact U.S. national security. In FY2007, the Doc Ex Branch completed 71 missions, half of which were in support of OCDETF investigations. Eighty-eight percent of Doc Ex missions were at the request of DEA or FBI, while other Doc Ex missions were conducted on behalf of U.S. Immigration and Customs Enforcement (ICE), the Internal Revenue Service (IRS), the U.S. Attorneys Office (USAO), and DoD. The success of NDIC's Doc Ex program and the increased demand for foreign language missions encouraged NDIC to establish a satellite Doc Ex unit at the Utah National Guard Joint Language Training Center, which contributed 12 foreign language missions to the 68 total Doc Ex missions in FY2007.

During FY2007, NDIC's Doc Ex program provided invaluable support to law enforcement and prosecuting authorities in the investigation and prosecution of illicit drug trafficking. In early FY2007, NDIC provided Doc Ex support to a DEA diversion

case that resulted in a federal grand jury indicting four individuals working in a Baltimore pharmacy for diverting 8 million dosage units of hydrocodone and conspiring to launder the proceeds. In what has been called the largest criminal pharmaceutical drug investigation in DEA Baltimore history, prosecutors are seeking forfeiture of \$20 million.

Earlier this year, NDIC's Doc Ex Branch supported the DEA Bogotá Country Office's investigation that targeted a designated Consolidated Priority Organization Target (CPOT) and a high-level leader of the North Valley Cartel. This investigation was initiated in December 2003 in conjunction with the Colombian National Police, DEA's New York Field Division, USAO Eastern District of New York, DEA's Special Operations Division, and the DOJ Criminal Division's Narcotics and Dangerous Drugs Section. This CPOT and high-level leader of the North Valley Cartel was indicted in the Eastern District of New York for conspiracy to import cocaine, money laundering, and conspiracy to commit murder. He was also indicted in the District of Columbia under the North Valley Cartel Racketeer Influenced and Corrupt Organizations Conspiracy Indictment. Both indictments allege his leadership status in the North Valley Cartel and his numerous acts of violence, corruption of government officials, and use of maritime and aviation smuggling routes to move multiton quantities of cocaine to the United States and Europe as well as the subsequent laundering of proceeds back to Colombia. In January 2007, the Bogotá Country Office in conjunction with the Colombian National Police seized four money caches in Cali containing over \$80 million in cash and gold bullion.

More recently, NDIC was credited with playing a key role in the largest steroid enforcement action in U.S. history. Operation Raw Deal, a multijurisdictional OCDETF investigation, targeted the global underground trade of anabolic steroids, human growth hormones, and insulin growth factor. More than 140 federal search warrants were executed on targets throughout the United States, resulting in 124 arrests and the seizure of 56 steroid labs. In total, 11.4 million dosage units of steroids were seized as well as 242 kilograms of raw steroid powder of Chinese origin. In addition, \$6.5 million, 25 vehicles, 3 boats, 27 pill presses, and 71 weapons were seized in U.S. raids. The operation spanned the United States, Mexico, Canada, China, Belgium, Australia, Germany, Denmark, Sweden, and Thailand.

Although Doc Ex missions are predominantly conducted in support of drug trafficking investigations, they have frequently been conducted to confirm suspected links or reveal unknown links between drug trafficking and terrorism. In FY2007, the Doc Ex Branch supported several drug-terrorism investigations including a Doc Ex mission that identified links between southern Philippines drug traffickers and elements of designated foreign terrorist organizations, namely the Abu Sayyaf Group and Jamayah Islamiyah.

Doc Ex Branch has supported another drug-terror investigation aimed at disrupting and dismantling five Arab Tri-Border Area (TBA) drug trafficking organizations (DTOs) that operate in Argentina, Brazil, and Paraguay as well as in

surrounding areas and in Europe and the Middle East. All five groups have been linked to Islamic Radical Groups.

NDIC's Doc Ex Branch supported DEA's Special Operations Division by analyzing information on a high-level drug trafficker, money launderer, arms dealer, and terrorist who is documented in 74 DEA investigations dating back to the 1970's. Historical evidence indicated that this individual and his associates have trafficked multiton quantities of hashish and heroin and laundered tens of millions of dollars in drug proceeds. In addition, this individual had also brokered international multimillion dollar arms deals for Yemen, Kuwait, Syria, Argentina, Brazil, Bulgaria, and Colombia and has supported several Middle Eastern terrorist groups including the Palestine Liberation Front, the Palestine Liberation Organization, and the Popular Front for the Liberation of Palestine.

NDIC's Comp Ex program continued to provide critical and timely assistance to the intelligence and law enforcement communities during FY2007 by exploiting various electronic media. In support of 61 cases conducted by DEA; FBI; ICE; Health and Human Services; DoD; Bureau of Alcohol, Tobacco, Firearms and Explosives; IRS; and the Johnstown Police Department in Johnstown, Pennsylvania, personnel assigned to NDIC's Comp Ex Branch examined 535 computer hard disk drives and 303 mobile phones totaling approximately 20 terabytes (20 thousand billion bytes) of data. To put this into perspective, it is estimated that the Library of Congress contains 20 terabytes of data.

FY2007 also marked significant milestones in the demand and use of NDIC-developed software. First, NDIC began a groundbreaking program to provide Interpol the Real-time Analytical Intelligence Database (RAID), NDIC's main Doc Ex analytical software. With NDIC's assistance, Interpol distributed and provided training on NDIC's RAID application to various member countries in West Africa for use in combating drug trafficking and money laundering. This collaborative effort has resulted in the successful deployment of RAID to law enforcement personnel in Cote-d'Ivoire and Nigeria. Most recently, this effort was expanded to include cooperation from the United Nations Office of Drugs and Crime with the installation and training of RAID to Cape Verde law enforcement and judicial officials. Second, NDIC furnished its in-house developed software to the U.S. military and DoD. In July 2007, NDIC furnished a U.S. Army Document Exploitation Unit Multinational Forces Iraq, with our computer forensics software, HashKeeper.

This past fiscal year, NDIC became a charter member of the Defense Intelligence Agency's FORUM collection system. FORUM is a web-based tool for DoD and law enforcement agencies to collaborate and share counterdrug intelligence requirements and information via a secure communications network (ADNET-S). Currently, there are 320 registered FORUM users including collection managers representing DEA, EPIC, DHS, JIATF-West, JIATF-South, JTF-North, BORFIC, and several HIDTAs. NDIC's participation on FORUM streamlines the submission and management of Requests for Information (RFIs) and assists in the identification of

intelligence gaps/shortfalls, reducing duplication of effort. On September 27, 2007, NDIC hosted the FORUM Primary Member Group (PMG) Quarterly Meeting in Johnstown, PA. The chief purpose of the meeting was to discuss information sharing initiatives, future funding issues and validate the PMG Charter.

In FY2007, NDIC continued to provide library and training services to the intelligence and law enforcement communities. NDIC produces and disseminates the *Counternarcotics Publications Quarterly (CPQ)*, an annotated and indexed bibliography of reports, intelligence memoranda, papers, and target studies submitted by federal, state, and local agencies. For each quarter of FY2007, more than 270 copies of the classified *CPQ* were distributed to federal officials at the headquarters of the Defense Intelligence Agency, DEA, FBI, U.S. Customs and Border Protection (CBP), Central Intelligence Agency, National Security Agency (NSA), and ONDCP; and more than 1,100 copies of the sensitive *CPQ* were distributed to FBI and DEA field offices as well as USAO district offices, state police headquarters, and sheriffs' offices.

In FY2007, NDIC trained 4,703 federal, state, and local law enforcement personnel in 66 training sessions on topics related to basic drug intelligence analysis. NDIC trained 1,004 law enforcement professionals in 16 DEA-sponsored sessions and 586 law enforcement professionals in 10 sessions sponsored by the HIDTA offices. NDIC also conducted four iterations of the Multiagency Course, an intensive 1-week, video teletraining, entry-level drug intelligence analysis course. Taught by instructors from NDIC and other federal agencies, these four iterations were attended by 216 professionals. These training sessions afforded students the opportunity to meet fellow law enforcement professionals and develop relationships that ultimately bring the law enforcement community together in an atmosphere of trust, which is critical to advancing information sharing.

In addition to conducting training for counterdrug professionals, NDIC also hosted two significant training seminars during FY2007. Specifically, NDIC hosted over 65 money laundering investigators and analysts from the intelligence and law enforcement communities for a 2-day training course and networking session covering the Black Market Peso Exchange. During the week of the anniversary of 9/11, NDIC also hosted representatives from DoD, DHS, FBI, Financial Crimes Enforcement Network (FinCEN), NSA, and other agencies for a 5-day course on combating terrorism. This course provided lectures from a dozen top-level terrorism experts from the Intelligence Community and academia.

Also in FY2007, NDIC enhanced the automated tools and systems used by our analytical staff and completed plans to ensure the continued operability of the NDIC computer network. In May, NDIC's Human Resources (HR) function was audited by DOJ HR officials. While NDIC has not yet received the final results, DOJ officials communicated their intent to recommend that NDIC remain "Green" with regards to its HR Human Capital effort.

As the above accomplishments clearly demonstrate, NDIC continues to focus its resources on providing federal policymakers and the intelligence and law enforcement communities with timely intelligence products, services, and support in our collective battle against drug trafficking and related threats. Our management and staff are energized by the knowledge that our accomplishments contribute to the counterdrug community's successes and look forward to providing an even higher level of support in the future.